

DCI BRIEFING FOR
RUSSELL SUBCOMMITTEE

21 February 1967

OX CART

NRO REVIEW COMPLETED

- I. I want to inform this committee about a significant change in our aircraft reconnaissance program.
 - A. You are aware of the very-high-performance plane we refer to as OXCART, which was developed as a follow-on to the U-2.
 - B. It has been ready for operational use for more than a year, but no overflights of denied areas have ever been authorized.
 - C. The President recently decided that the program should be terminated and the aircraft placed in storage.
- II. This decision followed a detailed study which CIA, the Defense Department, and the Bureau of the Budget made, of both the OXCART and the Air Force SR-71 projects.
 - A. Both aircraft were considered in this study, because they have similar characteristics, and because there was general agreement that the planned fleets of 30 SR-71s and 10 OXCARTs added up to more aircraft than were needed.

III. As a result of the study, three alternatives were submitted to the President for reducing the size of the combined fleets. These were

ONE: to retain both fleets at separate bases, and reduce the number by storing 12 of the SR-71 aircraft;

TWO: To retain only the SR-71 aircraft, and assign eight of them to CIA, to be operated

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[] or

THREE: To retain only the SR-71 aircraft, at a single base under Air Force management, and transfer the covert operational mission to the Strategic Air Command.

IV. The President chose the third course, so the OXCART program will be going out of business.

A. Carrying out the decision will be somewhat complicated, because the SR-71s are not ready for operational use, and probably won't be until late this year.

1. We therefore plan to store only four of our aircraft in July, and the remainder early next year.

2. This will ensure an overflight capability until the SR-71 is ready to go.

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V. I don't want to say goodbye to the OXCART program without reviewing some of its accomplishments.

A. We honestly think we came up with the most advanced aircraft in the world.

1. In more than 3,600 flight hours, the planes have put in almost 350 hours at speeds of three or more times the speed of sound.

2. With air refueling, we have had flights as long as 8,000 miles at these very high speeds.

B. This is a very complicated aircraft, but the performance records have proved that it could be designed and built for a very high degree of reliability.

C. The OXCART program, on that basis, should make a significant contribution, not only to future military aircraft, but to the supersonic transport.

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Next 12 Page(s) In Document Exempt

Approved For Release 2002/10/21 : CIA-RDP82R00025R000800020002-4

Approved For Release 2002/10/21 : CIA-RDP82R00025R000800020002-4

DCI BRIEFING FOR
RUSSELL COMMITTEE

21 February 1967

SOVIET AND CHINESE MILITARY DEVELOPMENTS

- I. The last time I appeared before you I discussed recent Soviet and Chinese military developments, and the Chinese political situation. There have been some additional developments since that time which I should mention to bring you up to date.

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New Aircraft

- III. Recent satellite photography has also revealed that the Chinese Communists have a new jet fighter aircraft.

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A. The new aircraft could be an entirely new

Chinese design, a major re-design of the Soviet MIG-19, or possibly a pirated copy of the Soviet SU-7 fighter.

1. Two prototypes have been photographed on the airfield adjacent to the Yen-liang Airframe Plant near Sian in North China, where we suspected the Chinese were about to begin production of the BADGER jet medium bomber. (The TU-16.) Turning out a couple of prototypes would not necessarily disrupt preparations for series production of a different aircraft.

B. The Chinese have talked in the past about a major re-design of the MIG-19, and the new aircraft look somewhat like an enlarged MIG-19.

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2. A new native design would presumably need two or three years of flight-testing before it is ready for series production.

Soviet ABM Costing

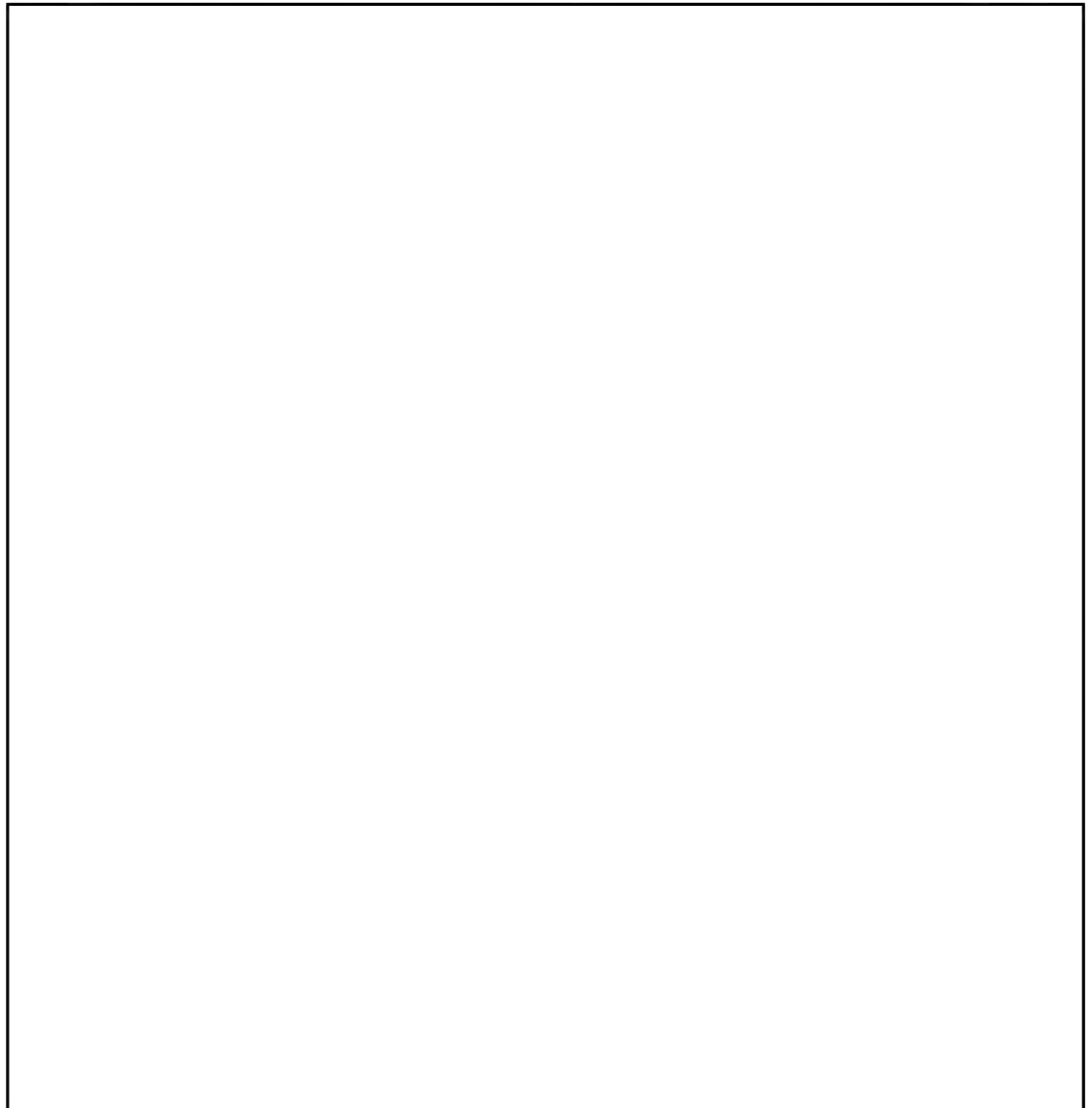
IV. I reported to you last time on the anti-ballistic missile system which the Soviets are deploying

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around Moscow. Since that time, we have worked
out some estimates of the probable cost for this
system.

A. As you will recall, the components include
two large early warning radars in the north-
western U.S.S.R., the DOG HOUSE acquisition
and tracking radar near Moscow, and the
actual launch complexes forming a ring
around Moscow.

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Chinese "Cultural Revolution"

IV. Finally, I should bring you up to date on the course of the Chinese "Cultural Revolution."

A. When I briefed you on January 9th, the Chinese Communist Army had not yet become involved in the political turmoil, but for that very reason we suspected that Mao Tse-tung and Defense Minister Lin Piao were not sure they could place complete trust in all army units.

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C. It is becoming apparent that a force for moderation, probably centering around Premier Chou En-lai, is playing an active role.

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1. The evidence includes orders to the Red Guards to work through the party in disciplining party officials, to stay out of the Foreign Ministry, and --in the case of the younger and more volatile elements--to go home and go back to school.
 2. There is also the sudden end to the 17-day siege of the Soviet Embassy, which caused the Russians to send home dependents, turn the embassy swimming pool into a water reservoir, and start tough young Russians patrolling the embassy grounds in pairs at night.
 3. Chou En-lai has also been involved in an effort to bring rival leaders from the outlying provinces--where resistance to the cultural revolution appears to be strongest--to Peking for discussions.
- D. The evidence is not conclusive, but it could be an indication that the opposition to Mao's purge is too widespread to be steamrollered, so that the pace of the cultural revolution has got to be moderated for a while.

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DCI BRIEFING FOR
RUSSELL SUBCOMMITTEE

21 February 1967

SUPPLEMENTAL APPROPRIATION

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1. I want to report to you on the supplemental appropriation of [] for Agency operations in Southeast Asia in the current fiscal year. The President has included this amount in [] [] now before Congress.

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- A. Specifically, we need nearly another [] for the Revolutionary Development Cadre, or RDC, program in South Vietnam, bringing the total for the fiscal year to [] for this program.

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- B. In Laos, the cost for the roadwatch and the tribal guerrilla warfare programs is going to exceed [] this year, which will require more than [] in supplemental funds.

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- C. These expansions have the full approval of-- and in fact have been urged by--the U. S. Mission Council in Saigon, the U. S. Country Team in Laos, the executive departments here in Washington concerned with these matters, and the President's Special Assistant for Vietnam Affairs, Mr. Robert Komer.

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25X1A II. To put this supplemental request in perspective with our total funding picture, Congress last fall [] for regular CIA operations in FY 1967.

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A. We find ourselves with about [] less than we had anticipated in program money as a result of the President's economy drive, and the Presidential directive that we absorb the costs of the Pay Act of 1966.

1. Meanwhile, activities in Southeast Asia continue to expand, and we are left with no alternative but to ask for more funds.

B. The Agency's Reserve for Contingencies has a

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balance of [] but I concur with the opinion this subcommittee expressed last year, that the Reserve should not be used to cover the RDC program in South Vietnam.

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1. I feel, in fact, that there are at least two strong reasons why the particular [] being requested as supplemental appropriation should not be obtained from our Reserve for Contingencies.

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First, they would reduce the Reserve to about [] and we are not asking for replenishment in our 1968 budget.

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Secondly, I feel strongly that requirements of this magnitude-[] should be presented to you before the fact.

III. The Revolutionary Development Cadre program is a key element in the pacification program for South Vietnam. It got its start, as you know, in the People's Action Teams which CIA developed beginning in 1964.

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- A. The concept, then and now, has been to develop a mechanism with which the Government of Vietnam can win and hold the loyalty of the provincial population.
- B. In early 1966, the Office of the President, recognizing the importance of a positive pacification effort to parallel the military effort in Vietnam, requested the CIA to expand its program as rapidly as possible.
 - 1. What had been a Peoples' Action Team approach was redesignated the Revolutionary Development Cadre Program. Additional funds were made available through last year's supplemental appropriation, and expansion began.
 - 2. By the end of FY 1966, this and other closely related cadre programs reached a strength of 33,800 trained men, and we were working vigorously with the Vietnamese Ministry of Revolutionary Development and the provincial authorities in forward planning and direction of the teams.

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IV. As you are aware, last November the U.S. Government reached the decision to establish an Office of Civil Operations (OCO) under the direction of Ambassador Porter, to coordinate United States assistance to the over-all Vietnamese pacification program.

A. An essential part of this effort is the RDC program, which CIA continues to manage and fund.

1. Current plans call for further expansion, to 51,000 trained personnel by June 30, 1967. This necessitates more money.

2. The largest portion of the [] supplemental requirement is for salaries for cadres. The number of cadres on the permanent payroll keeps rising, and all Vietnamese Government salaries have gone up appreciably.

3. There are attendant increases in materiel, training, operating expenses, and construction.

4. CIA Station overhead also has grown, as our personnel increased to [] []. Most of the increase is required for the OCO program.

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V. Let me review briefly for you the organization and missions of the RDC teams, and the techniques which they employ.

A. The basic team has about 60 people; they work in their home provinces under the direction of province chiefs who are guided by the Revolutionary Development Ministry.

1. We have CIA staff people attached to the province headquarters.
2. The teams are dispatched to their operating areas only after an intensive 13-week motivational training course at Vung Tau or Pleiku.
3. The training program is first rate, but it does not come cheap.

B. The mission of these teams is to work with the people to secure an area and develop self-defense forces, to identify and help satisfy the needs of the people, and in the end, to gain the loyalty of the people for the government.

1. In the process they collect tactical intelligence as well.

~~VI. As for Laos, this subcommittee is familiar with our large-scale paramilitary program there.~~

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- C. I am mindful that when we last discussed the RDC program, it was your view that this overt program could be carried out and funded more appropriately by some other Government agency.
1. I concur fully with this view, and have expressed it as forcefully as I know how to the Bureau of the Budget.
 2. I believe it is a fact, however, that no other agency has the ability to assume these responsibilities at this time without a serious loss in the momentum of this important war effort.
 3. In any case, I have been directed to carry on these activities for the time being and to budget for them through Fiscal Year 1968.

VI. As for Laos, this subcommittee is familiar with our large-scale paramilitary program there.

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A. During this past year, we have added a major new activity; the training and emplacement of roadwatch teams along the Ho Chi Minh trail complex leading through the Laotian Panhandle to South Vietnam.

1. This also involves quick communications to report heavy traffic movement to a central control center which can call down air strikes against Communist supply convoys.

B. A requirement to maximize this effort, in support of the fighting in Vietnam, is the main reason we need more than in supplemental funds.

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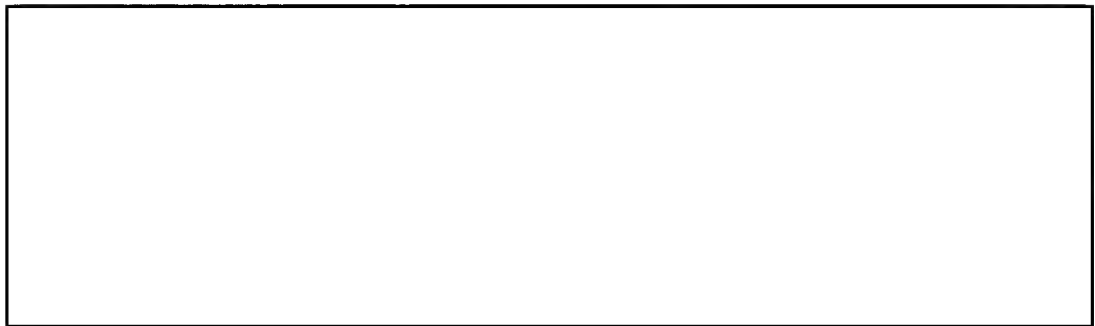
1. This has become a sort of "quiet war," if there is such a thing.
2. The public, preoccupied with Vietnam, hears little about the fighting in Laos, but the war there continues.
3. Last year, there were a total of 1,661 engagements, which resulted in 2,795 confirmed enemy Killed in Action, and 926 friendly fatalities.

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D. The two major areas of cost increases are materiel and air support. The increase in materiel covers mainly communications equipment and ordnance items; prices are going up, and we need more to cope with the higher level of combat activity.



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1. Air support costs have increased by because of increased flying hours, and an appreciable increase in the rate charged by the contracting companies per flying hour.

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VII. That summarizes the reasons for the supplemental appropriation, and obviously they result from an expansion of the war which CIA does not control.

A. I should make one more point, however, to express my great concern over the long-term impact these activities are going to have on the Agency's budget.

B. The programs in Laos are covert, and we have no choice but to fund them.

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C. The Vietnam RDC program, however, is something else. It is now out in the open, and could be funded and managed elsewhere.

1. If the expansion of the pacification teams continues at the present rate, we must assume a built-in appropriations increase of some every year for this purpose.
2. I hope that the Executive Branch will give serious consideration to this funding problem in coming months.

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Next 4 Page(s) In Document Exempt

Approved For Release 2002/10/21 : CIA-RDP82R00025R000800020002-4

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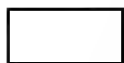
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